***Closing panel***

**What’s next for the public procurement community in Europe?**

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Major challenges emerged from the debates over these two days: improving procurement legislation, employing new technologies and governing artificial intelligence, using procurement to shape more democratic and inclusive societies, promoting sustainability with a focus on the ambitious goals of the UN 2030 Agenda. Moreover, everything takes place in an increasingly globalised and interconnected context, where even crime has taken on an international dimension.

Such major challenges cannot be tackled alone: no one would be up to it, neither contracting authorities, nor economic operators, nor individual states. We need to join forces and create a large procurement community.

In order to achieve this, it seems essential to set up a network of authorities to regulate procurement, building on the successful experience of the anti-corruption networks and extending this model to other fields of action. Such networks are the best instrument to join forces and design together the new scenarios of public procurement, providing the necessary legality safeguards and creating communication channels useful for sharing experiences and exchanging good practices.

The desired network of procurement regulatory authorities will first have to deal with the reforms needed to make the market more open and efficient, indicating possible courses of action and formulating proposals for improvement on the basis of good practice and shared experience.

With the 2014 reform, the European legislator aimed to make public procurement more flexible, with simplified procedures, improve the access of SMEs to public contracts, facilitate a more strategic use of public procurement, and strengthen provisions on integrity and transparency to prevent corruption and fraud. Despite good intentions, the special report 28/2023 of the European Court of Auditors describes an overall situation that isnot very encouraging. The data analysis shows that the level of competition for public contracts decreased over the past 10 years in the EU single market. Overall, in the European market the share of small and medium-sized enterprises participating in public procurement has not significantly increased, procedures still give rise to a considerableadministrative burden, and strategic (environmental, social and innovative) aspects are rarely considered in public tenders. For these reasons, the European Court of Auditors recommends that European institutions and governments close the gaps in public procurement **data collection**, improve **monitoring tools**, deepen the root cause analysis and put forward an action plan to **overcome key obstacle​s to competition**.

Action has already been taken in Italy to solve the reported problems. With the approval of the new Public Contracts Code, various forms of simplification and acceleration of procedures were introduced, and the **digitalisation** of the entire life cycle of contracts began from 1 January 2024. This means that all phases of the life of the contract, from planning to execution, now take place digitally.

The core of this e-procurement system is our **National Database of Public Contracts (BDNCP)**,a powerful tool not only to promote transparency and digitisation but also a government tool to monitor the impact of regulations and foster innovation. It aggregates data on the procurement procedures of all the contracting authorities at national, regional and municipal levels, and covers more than 60 million procedures from 2007 to the present. Thanks to this fundamental tool – through which we also monitor the uptake of Green Public Procurement and check the inclusion of gender and generational balance clauses in the call for tenders – we can keep together transparency, the respect of human rights and of the environment, and the use of technology to prevent and counter corruption, thus realising the convergence of the two main tasks of our institutional mission: prevention of corruption and supervision of public procurement.. The BDNCP also provides a unique reference data source for the public contract market, standardizes the data collected on the life cycle of public contracts and offers public procurement information as open data.

To promote integrity and simplification in public procurement procedures, in the last two years ANAC has also set-up a new Virtual Company Dossier that provides contracting authorities the certificates and data to check the grounds for exclusion and of the selection criteria of the economic operators.

Through these tools we promote **transparency** and, at the same time, **efficiency**; two dimensions that must coexist to ensure integral, effective and innovative administrative action. In fact, digitalization guarantees both simplification and compliance, and gives all citizens the opportunity to know how public money is spent. In this way people, the real clients of public contracts, once again become the focus of the system. As the OECD also recently stated, strengthened transparency, accountability, stakeholder participation and e-procurement, as well as oversight and control are the best ways to improve the public procurement system.

For all these reasons, it will be necessary in the future to encourage the digital transition even more strongly, giving it **an increasingly transnational dimension**. We must integrate the databases and platforms of European countries, standardizing data as much as possible and facilitating the exchange of information through interoperability, with the aim of making the common market for public procurement a reality. From this point of view, the driving function of a network of procurement regulators could prove to be of fundamental importance.

With the same aim, **cross-border procurement** should be encouraged, making national and local contracts attractive also to foreign companies through transparency and fair competition, and thus overcoming the limitations showed by the European Court of Auditors.

It will also be necessary to structurally ensure that the purchase of certain types of goods and services, especially strategic ones, is carried out by European institutions **at a centralised level**, as in the areas of energy and pharmaceuticals, where, albeit with some difficulty, significant results have already been achieved. Experience shows that for certain types of products the national dimension is now reductive.

What is needed, then, is a **strategic vision**. European governments must learn to use public procurement to improve economies and societies and to promote healthy and sustainable development models, respecting the planet and human rights. They must become able to buy for tomorrow as well as today, with a people-and-goal-driven approach, thinking also about the next generations.

In fact, integrity alone is not enough. If we really want to use public procurement as a lever to achieve better living standards, we must also **incorporate social considerations** into procurement practices. The European strategy moves along this line, putting forward three main priorities to be achieved through public procurement: **smart growth, inclusive growth and sustainable growth**. Smart growth means developing an economy based on knowledge and innovation. Inclusive growth involves fostering a high-employment economy that delivers social and territorial cohesion. Sustainable growth aims to promote a more resource-efficient, greener and more competitive economy.

This is why there is a strong need for a supranational network in the field of procurement that would harmonise the different views and experiences and propose a synthesis for future action.

First of all, public procurement should be used as a vehicle for **innovation**. In this field the challenges are numerous, such as improving skills and capacity, reducing risk aversion, setting up new forms of coordination, and enhancing data collection and the monitoring of results. Digitalization could be a powerful instrument also for this objective.

Secondly, public procurement should serve to make our societies more **inclusive** and remove the inequalities that still exist: gender and generational differences, discrimination of all kinds. From this point of view, public procurement can even constitute a means of concretely achieving the protection of human rights.

Furthermore, through public procurement we should be able to increase **workplace safety**, also in the private sector. This means, on one hand, that procurement must deliver safer, healthier and fairer workplace and, on the other hand, that public bodies have to develop procurement policies and practices that encourage supply chain companies to ensure effective compliance with legal obligations in respect of both employment and safety law.

This topic is closely linked to **Sustainability**. In today's global context, where the production phases are relocated to different parts of the world, contracting authorities have to pay attention to the entire supply chain. They must be aware that the low price of a product is often due to the lack of protection for the workforce employed in the production process. It is therefore essential to verify that all workers involved in the production chain are afforded the same protection. This can be very difficult when certain stages of production are relocated to areas of the planet such as South-East Asia where child labour is employed, and a culture of labour protection has not yet spread.

In order for public procurement not only to provide goods and services but also to produce ethical and social value, it is necessary to act in multiple directions. The global supply chain should be mapped in detail and there should be penalties for companies that have a low degree of due diligence or only superficially comply with the rules of transparency and control. It is also necessary to invest in training and skills of public buyers, who should acquire the ability to think in a value-oriented, systemic and strategic way, anticipating risk, as well as the ability to self-regulate, learning to find sustainable solutions where the norm leaves them discretionary power.

It could also be useful to draw up international whitelists of companies that implement sustainable production choices, and blacklists of companies that have been found not to respect human rights in the production chain.

The role of public administration cannot be reduced to generating economic value but must also be to **foster the ethical development of suppliers and citizens** by communicating social value. In view of this goal, contracting authorities should also be willing to spend more to ensure that workers' rights are respected throughout the supply chain. The real challenge is to educate communities and citizens about responsible growth. Here too, the role of a network of procurement regulatory authorities could prove essential. Experience in anti-corruption and promoting public integrity has shown how effective networks can be in spreading good practices and raising awareness among governments and civil society.

Public procurement must also contribute to **safeguarding the planet and protecting the environment** for the benefit of future generations. By leveraging their purchasing power, governments can lead by example, propel the adoption of sustainable practices and technologies to move markets, and promote the transition to a net-zero and circular economy. Aware of this, the European Union gives a strong push to the Green Public Procurement, which relies on identifying clear, verifiable, justifiable, and ambitious environmental criteria for products and services, based on a life-cycle approach and scientific evidence base.

ANAC is also committed to promoting sustainability at a supranational level. As part of the European Commission's activities, we support the "*Sustainable Public Procurement*" group, which investigates the barriers and obstacles to the implementation of sustainable procurement and explores ways to better involve and coordinate European and national experts on these issues. We also participate in the European “*Strategic Procurement Dialogue Project*”, which aims to create a dialogue between EU Member States on the use of strategic procurement as a lever for the development of innovative and sustainable public policies.

Once again, in order to make public procurement capable of positively impacting the lives of European Peoples, it is essential to **act in a coordinated way at an international level**. Since supplier networks are global and corruption is now a transnational phenomenon that affects all societies and economies, no organization nor even any state can achieve the goal of healthy and sustainable development alone. We all need to work together, organisations and states, to ensure the quality of public procurement and the integrity of the sector, to increase transparency at every level and in every area of public action, to disseminate best practices, and to promote the sharing of data and information through standardisation and interoperability between different platforms.

In order to promote sustainability and inclusion, **stronger collaboration between public authorities and the private sector** is also essential. A contribution in this sense could come from innovative institutions such as the **Public-Private Partnership**, which directly involves private companies in the realisation of the public interest, in line with the enhancement of Corporate social responsibility, which inspires the most recent European legislation. A supranational network could help share experiences and promote models and schemes that each State could then customize based on the characteristics of its own specific internal market.

But what is most needed, is the involvement of **small and medium-sized enterprises** in public procurement. We, as the National Anti-corruption Authority, have recently reported that one of the major critical issues encountered in the implementation of the National Recovery and Resilience Plan in Italy is the small number of small and medium-sized enterprises involved. With regulatory acts, ANAC has attempted to give impetus to institutions that enhance SMEs, but further support measures are needed, with the involvement of local authorities and trade associations, so that procurement becomes a ‘training ground’ to strengthen small businesses, pushing them towards consolidation and long-term growth. Above all, this requires coordinated and joint action by all procurement regulation authorities, so that small and medium-sized enterprises are guaranteed the same opportunities for market access in all EU countries.

Inclusive, sustainable, strategic, cross-border procurement opens the way to great opportunities, but also to possible difficulties and considerable risks, also due to corruption and criminal phenomena that – as we said before – have now taken on a transnational dimension. Therefore, one of the great challenges of the European public procurement community will be to invest more in the **skills and competences of public buyers**, since high standards of professionalism are needed to manage such a complex matter. In Italy we have begun to act in this direction with the implementation of the qualification system of contracting authorities and central purchasing bodies, which enhances the skills within the public administration and aims to create a support network for smaller and less structured.

These skills will also be important to face the great challenge of the future: **Artificial Intelligence (AI)**. Public buyers will soon have to both purchase artificial intelligence and purchase through artificial intelligence and will have to prove themselves able to exploit its benefits and avoid its bad consequences, especially with regards to generative artificial intelligence. Algorithms are fed data, and if data is biased or unrepresentative, the conclusions drawn may be wrong or unfair. This is particularly worrying in the public sphere, where decisions directly impact the rights of citizens and a perpetuation of bias could have significant social repercussions, generating discrimination and injustice. Furthermore, the issue of transparency comes into play. When a public decision has been made with the help of generative artificial intelligence, it becomes difficult to explain it, know the reasons that justify it and reconstruct the logical process; consequently, the risk is that citizens no longer have the cognitive elements necessary for the protection of their rights.

All this does not mean that we must be afraid of new technologies, but that we must learn to manage them.

Last but not least, it is necessary to **raise awareness and involve citizens**, as public policies are only successful if they are able to convince and involve people. The real actors of change are individuals, and therefore we must create a dimension in which they can best express their potential. Firstly, as promoters of sustainable development, through their initiatives and skills. And then, above all, as a **monitoring community**, engaged in constant verification of the work of the public administration and the use of public resources, thanks to the immense availability of data offered by digitalisation.

So, in order to use public procurement as a means to really improve the lives of European Peoples, we must not only intervene on what governments buy and how they buy it, but also implement a **great cultural revolution** involving individuals in the name of democratic participation, integrity, ethical and social values.

In this way, it will be possible to produce true growth, which does not consist in profit, but in **prosperity**, that is, in that multidimensional development – economic, social, civil and ethical – that ensures the effective improvement of the quality of life. If we can do this, through public procurement we will truly be able to buy a better future. From this point of view, the action of a network of regulatory authorities could really be fundamental.

In short, the future presents the European public procurement community with unprecedentedchallenges, moreover in an international geopolitical context marked by conflicts and tensions with significant economic consequences. Therefore, our community will have to work quickly on integration, digitalisation, skills, transparency, integrity and anti-corruption, strategic vision and new technologies to become stronger and more resilient.

The responsibility is great, as the decisions we make now will shape the Europe of tomorrow.